

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF WESTERN LEWIS-)	CASE NO. 92-331-C
RECTORVILLE WATER AND GAS DISTRICT)	

O R D E R

On May 12, 1993, the Commission issued its Order in Case No. 92-331 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On June 7, 1993, Western Lewis-Rectorville Water and Gas District ("Western Lewis") notified the Commission that its wholesale cost of gas was decreased by its supplier, Columbia Gas Transmission Corporation ("Transmission"), effective June 1, 1993, and submitted with its notice certain information in compliance with its purchased gas adjustment ("PGA") clause on file with this Commission.

On June 24, 1993, the Commission suspended Western Lewis's proposed rates for 5 months to allow for further proceedings to determine the reasonableness of the proposed adjustment. Western Lewis filed additional information pursuant to Commission Orders dated June 24, 1993 and August 11, 1993.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Western Lewis's notice of June 7, 1993 set out certain revisions in rates which Western Lewis proposed to place into effect, said rates being designed to pass on a decrease in wholesale price from its supplier. The decrease in rates was based on Western Lewis's expectation of approval of a proposed increase in rates in Case No. 92-331-B¹, which, in fact, was denied. Therefore, the proposed decrease results in an increase in rates approved in Case No. 92-331.²

2. Western Lewis's notice did not reflect its true gas cost because it omitted the necessary information regarding its purchases from GASCO, Inc. ("GASCO") which replace some purchases from Transmission. According to Western Lewis's contract with GASCO, entered into in October 1992, the purchase price of gas is to be \$2.66 per DTH plus the applicable Transmission interruptible transportation fee of 33.71 cents per DTH. Western Lewis also agreed to purchase a minimum of 70 percent of its total monthly natural gas requirements from GASCO.

3. Transmission filed an application with the Federal Energy Regulatory Commission for a SGS rate of \$3.4984 per DTH effective

¹ Case No. 92-331-B, The Notice of Purchased Gas Adjustment Filing of Western Lewis-Rectorville Water and Gas District, Order dated July 1, 1993.

² Case No. 92-331, The Application of Western Lewis-Rectorville Water and Gas District for an Adjustment of Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities, Order dated May 12, 1993.

June 1, 1993. Transmission's rates are subject to refund; hence, Western Lewis's rates should be subject to refund.

4. The blended rate for Western Lewis's purchased gas cost should be \$3.1475 per DTH, which is the equivalent of \$3.2426 per Mcf, based on the terms of the GASCO contract of October 1992, and Transmission's tariff dated June 1, 1993.

5. The adjustment in Western Lewis's rates under the PGA provisions approved by the Commission in its Order in Case No. 92-331 dated May 12, 1993 is fair, just, and reasonable, in the public interest, and should be effective with gas supplied on and after the date of this Order, subject to refund.

IT IS THEREFORE ORDERED that:

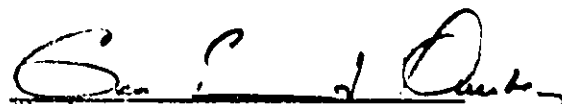
1. Western Lewis's proposed rates be and they hereby are denied.

2. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable, and are approved effective with gas supplied on and after the date of this Order, subject to refund.

3. Within 30 days of the date of this Order, Western Lewis shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 2nd day of November, 1993.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 92-331-C DATED November 2, 1993

The following rates and charges are prescribed for the customers in the area served by Western Lewis-Rectorville Water and Gas District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Retail Rates:

Customer Charge		\$1.00 Per Month	
<u>Monthly Usage</u>			
	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1,000 cu. ft. or less (Minimum Bill)	\$3.9883	\$3.2426	\$7.2309
Next 4,000 cu. ft. per 1,000 cu. ft.	1.4565	3.2426	4.6991
Next 5,000 cu. ft. per 1,000 cu. ft.	1.3970	3.2426	4.6396
Over 10,000 cu. ft. per 1,000 cu. ft.	1.2228	3.2426	4.4654

	<u>Commodity</u>
Columbia Gas Transmission Corporation - SGS	\$3.4984 Per Dth
GASCO, Inc.	2.66 Per Dth